

STATE BOARD OF EQUALIZATION
BEFORE THE ADMINISTRATIVE JUDGE

IN RE:	Eddie & Bettye Stacy)	
	Dist. 10, Map 11, Control Map 11, Parcel 1.00)	Bedford County
	Dist. 11, Map 26, Control Map 26, Parcel 33.00)	
	Dist. 9, Map 11, Control Map 11, Parcel 2.00)	
	Residential Property)	
	Tax Year 2006)	

INITIAL DECISION AND ORDER

Statement of the Case

For the purpose of writing these decisions these three (3) parcels will be combined.¹
The subject properties are presently valued as follows:

Map 011; Parcel 1.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$83,500	\$0	\$83,500	\$20,875

LAND MARKET VALUE: \$130,200

Map 026; Parcel 33.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$17,500	\$5,800	\$23,300	\$5,825

Map 011; Parcel 2.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$84,800	\$45,000	\$129,800	\$32,450

LAND MARKET VALUE: \$155,300

Appeals have been filed on behalf of the property owner with the State Board of Equalization on August 2, 2006.

These matters were reviewed by the undersigned administrative law judge pursuant to Tennessee Code Annotated (T.C.A.) §§ 67-5-1412, 67-5-1501 and 67-5-1505. This hearing was conducted on January 18, 2007, at the Bedford County Property Assessor's Office. Present at the hearing was Bettye Stacy, the taxpayer who represented herself. Also present were Rhonda Clanton, the Assessor for Bedford County, Mark Lamb an Appraiser from the Property Assessor's Office, Bobby Spencer and Tom Winfrey from the Division of Property Assessment for the State of Tennessee.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The subject properties consist of properties located in Unionville, Bedford County, Tennessee.

¹ The taxpayer appealed four (4) parcels; one was resolved using an Expedited Order.

As to Parcel 1.00, it is unimproved property located off Haunt Hollow Road. Ms. Stacy stated that the original purchase price was \$11,500 in 1972. Ms. Stacy believes the market value to be no more than \$91,000. The parcel is composed of 91 acres but there are permanent restrictions on the land which she believes adversely affect its value. The basis for her opinion is that in 2005 the taxpayers were involved in a lawsuit against property owners Rodney and Pamela Cooper, who own an 81 acre tract of land in front of the subject property. The Stacy's had sued the Coopers claiming adverse possession of a 12.5 foot "lane" that the Stacy's and their predecessors had used to gain access to the subject property². While Chancellor Cox granted the Stacy's use of the "lane," they were specifically precluded from using the "lane" for running electricity to their property or for the placement of any water or sewer lines down the "lane". This ruling did not prohibit the Stacy's from pursuing other avenues of adding these utilities to the subject. The Stacy's were further prohibited from enlarging the "lane" or altering its appearance, except erecting a gate. The Court also Ordered the Stacy's to do other things that the administrative judge does not feel are vital to this appeal, Parcel 1.00 currently enjoys a Greenbelt classification. These restrictions, Ms. Stacy believes, impedes the use of the property and negatively affect the value. The taxpayers still use the property for crop rotation according to the Greenbelt information so the land is not useless or unusable.

Since the taxpayers are appealing from the determination of the Bedford County Board of Equalization, the burden of proof is on the taxpayers³. See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Control Board*, 620 S.W. 2d 515 (Tenn. App. 1981).

The County contends that the property is appropriately assessed. In support of this opinion they have submitted a document, exhibit #1 for the county, which shows, using the sales comparison approach that the value assessed by the Bedford County Board of Equalization.

There are generally three (3) approaches to the determination of value; each has been determined to be more appropriate for specific types of property. The income approach is generally used for commercial income producing property; the cost approach uses the principle of substitution for the determination of improved property valuation, usually works best for newer improvements, because construction costs are easier to estimate and there is less depreciation; and the sales comparison approach which uses

² The Court found that: "The Plaintiffs and their predecessors in title used the land for the purpose of ingress and egress to pursue farming and hunting for a period in excess of twenty (20) years before the filing of this action" Chancellor J.B. Cox; Case No 25,065

³ The taxpayer must show by a preponderance of the evidence that an allegation is true or that the issue should be resolved in favor of that party. *Uniform Rules of Procedure for Hearing Contested Cases. Rule 1360-4-1-.02 (7)*.

paired sales analysis and is most commonly used in the evaluation of residential properties.

The germane issue is the value of the properties of January 1, 2006. The basis of valuation as stated in T.C.A. § 67-5-601(a) is that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values"

After having reviewed all the evidence in this case, the administrative judge finds that as to Parcel 1.00 the subject property should be valued at \$130,200 based upon the presentation of evidence by the Division of Assessments for the State of Tennessee.

Parcel 33.00 is a 2.59 acre tract of land located at 161 Bryant Road. Mrs. Stacy stated that she paid \$3,000 for it in March of 1995 and believes it is currently worth \$18,000. She contends that the current appraisal is a 40% increase from past years. The lot is long and narrow and has a small mobile home located on it that she rents out. There are weeds in the back of the house with shallow soil; she stated that nothing grows but weeds, she has not been able to plant trees, and there are flat rocks under the soil. Mrs. Stacy feels that the values are too high as the land holds water and the mobile home is small, only big enough for one or two people.

The county contends that the property is appropriately assessed. In support of this opinion they have submitted a document, exhibit #1 for the county, which shows, using the sales comparison approach that support the value assessed by the Bedford County Board of Equalization. Based on the presumption of correctness the values of the Bedford County Board of Equalization are sustained.

As to Parcel 2.00, 150 Pokey Brown Road is a lot comprised of 125 acres which also has a Greenbelt classification. Ms. Stacy describes the property as a swampy cow pasture and indicates that the grass is very short and not enough to support a very large herd of cattle, she indicated that it stays wet and sloppy all winter⁴. The property owner also states that a creek runs through the property and in 2004 the property flooded. The property also contains a single family residence with several outbuildings on the property. The property was purchased as improved property in 1989 for \$52,500. Ms. Stacy believes the property is currently worth \$178,000. She indicated that the current appraisal "seems a little too high for land we gave only \$300 per acre for".

⁴ Ms. Stacy has submitted photographs to verify her statements.

Mr. Spencer, as he had with the previous parcels, presented a sales comparison grid that showed through paired data analysis demonstrated a total indicated value higher than the value assessed by the Bedford County Board of Equalization⁵.

Since the taxpayer is appealing from the determination of the Bedford County Board of Equalization, the burden of proof is on the taxpayer⁶. See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Control Board*, 620 S.W. 2d 515 (Tenn. App. 1981).

With respect to the issue of market value, the administrative judge finds that Ms. Stacy simply introduced insufficient evidence to affirmatively establish that the market values of Parcel 1.00, Parcel 33.00 and Parcel 2.00 as of January 1, 2006⁷, should be changed from the values assessed by the Bedford County Board of Equalization.

ORDER

It is therefore ORDERED that the following values and assessments be adopted for tax year 2006:

Map 011; Parcel 1.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$83,500	\$0	\$83,500	\$20,875
LAND MARKET VALUE: \$130,200			

Map 026; Parcel 33.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
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Map 011; Parcel 2.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$84,800	\$45,000	\$129,800	\$32,450
LAND MARKET VALUE: \$155,300			

It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal “**must be filed within thirty (30) days**

⁵ The county did not file a request to increase the value.

⁶ See footnote 3 above.

⁷ The relevant assessment date pursuant to Tenn. Code Ann. § 67-5-504(a).

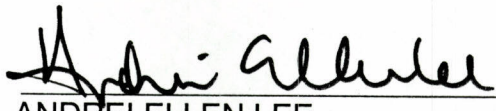
from the date the initial decision is sent.” Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal “**identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order**”; or

2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or

3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 27th day of February, 2007.



ANDREI ELLEN LEE
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

c: Eddie & Bettye Stacy
Ronda H. Clanton, Assessor of Property